



STATE OF SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS

MORTGAGE BROKER LICENSE RENEWAL INSTRUCTIONS

Mailing Address

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Please Send It In Early!

All mortgage brokers licensed prior to *August* of the current year must renew their license by *September 30*. The renewal application, available on this website, must be completed in its entirety and submitted to the Department. You must have earned eight hours of Continuing Professional Education (CPE) by September 30, of the current broker year (Oct. 1 – Sept. 30). (You cannot renew without your 8 hours of Continuing Professional Education). Any loan closed without a valid license may invalidate all or a portion of the loan even if you assign it to another broker.

Note: All forms necessary for renewal are available on this website.

HERE'S HOW TO RENEW

1. Read and keep a copy of the Renewal Instructions.
 2. Use the most current forms. Note: Forms have been revised as a result of changes in the Mortgage Broker Act.
 3. Fully read and complete the two page [Renewal Application](#). Make sure the application and all forms are signed and notarized. Faxed copies of the required forms are not acceptable.
 4. **Include the following with your renewal application even if there are no changes:**
 - B1. [Supplemental Form B1](#) (Location - Main or Branch): Note: A branch office must be open 30 hours per week and staffed by an employee that can contract and accept service on behalf of the company. See S.C. Code Ann. §40-58-65. Out-of-state brokers need to list their out-of-state main location on a different form from their South Carolina branch location. A branch office an additional \$150 renewal fee for each location. Use a separate form for each branch location. Remember to list all employees including originators.
 - B2. [Supplemental Form B2](#) (Location - Satellite) A satellite office does not require an employee staffing it 30 hours per week, it does require an additional \$150 renewal fee for each location. Use a separate form for each satellite location. Remember to list all employees including originators.
 - C. [Supplemental Form C](#) (Corporate or Limited Liability Company (LLC) Information):
 - D. **Current Mortgage Broker Fee Agreement for Financial Services:** It must comply with S.C. Code Ann 40-58-10 through -110, S.C. Code Ann 37-23-10 through -85 and S.C. Code Regs. 28-400C.
 - E. **Continuing Professional Education Information:** Who must complete CPE?
 - i. Sole Proprietorship: The owner;
 - ii. Partnership: Each partner;
 - iii. Corporation/Limited Liability Company: CEO and President must complete. Also any other officer who is active in the business and owns 25% or more of the business. "Active" means an individual who is engaged in running the business, not a silent investor. A current CPE calendar is located on the Department's website.

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 - F. **A check** (made payable to SCDCA) in the amount of \$550 (renewal fee). Include \$150 for each branch or satellite location, if applicable. Note: If renewal is completed after September 30th, include \$250 late renewal penalty. If CPE is completed after September 30th, include a \$100 late CPE penalty. Additionally, each owner, member, manager, and/or partner must pay for a criminal records check, currently \$25 per person. The criminal records check will be requested by the Department for all licensees not previously requested.
5. **Include the following with your renewal application ONLY if there are changes OR the information has not been previously submitted.**
 - A. [Supplemental Form A](#) (Owner/Employee Information): A separate form is required for each owner/employee other than originators. Originators are separately licensed and do not require a Supplemental Form A, however they must still be listed on the Supplemental Form B1 or B2.

HOW RENEWALS ARE HANDLED BY THE DEPARTMENT

1. Renewals are processed in order of receipt, including walk-in renewal applications. If the renewal is deficient, in any respect, it will be returned to you for correction/completion. Your license will not be renewed until the corrections/completion is completed.
2. Do not wait until the last week of the renewal period and expect to be renewed by September 30. Usually, half of the brokers wait until the last week to renew. Failure to renew your license and continuing to engage in brokering activity

will result in administrative action. Please notify the Department in writing if you are no longer in business and are inactivating your broker license. Remember, you cannot engage in any brokering activity until you receive your new license. Brokering a mortgage without a license can result in unenforceable contracts.

3. Plan ahead (you can file as early as August 1st) especially if you want to close a loan on October 1.
4. Do not have a lender call us and request a letter permitting your company to close a loan when the license is not timely renewed and/or a deficient renewal package is pending with the Department.
5. A lender may check our website or submit a faxed request to the Legal Department secretary to verify whether your company's license is renewed.
6. Your renewal license may be delayed if you have failed to respond to an investigator's compliance review letter, outstanding obligations to third parties or to a consumer's complaint pending in our Services Department.
7. Call, fax or e-mail the Investigator for your area, Legal Department Secretary, CPE Coordinator or me, if you have questions.
8. You should receive your license within two weeks of the approval of your renewal application.
9. **Do not fax any forms. We need the original, fully completed and notarized.**
10. Give detailed directions to your office location(s).

LEGAL STAFF

Dorothy Gargis	Program Assistant	734-4170	gargis@dca.state.sc.us
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PROBLEMS NOTED BY DEPARTMENT'S INVESTIGATORS DURING COMPLIANCE REVIEWS

1. **Broker Fee Agreement**: All brokers should be using the new fee agreement, which became law on January 1, 2004. Remember: Broker fees of 10% or more will continue to be questioned under the unconscionability provisions of the law. Brokers are not permitted – an application fee, an administration fee, an underwriting fee, or a document preparation fee. Additionally broker fees that exceed 5% are considered high cost and require consumer counseling.
2. All employees including telemarketers need to have a **Supplemental Form A** on file. Please notify us in writing when the employee is separated or terminated and include the date of separation or termination.
3. Remember, the closed loan files should contain copies of the following documents: A. The loan application; B. The **Mortgage Broker Fee Agreement**; C. The written notice of the estimated **Truth-in-Lending statement** and/or the estimated Truth-in-Lending statement; D. The written notice of estimated charges and/or the **Good Faith Estimate**; E. The written notice of preference information and/or the **Attorney/Insurance Preference Form**; F. The consumer's method of payment for third-party services; G. The receipts and/or invoices from third-party service providers; H. The written notification, as required by the Federal Equal Opportunity Credit Reporting Act, to consumers whose loan application was rejected or did not close; I. The final Truth-in-Lending Disclosure Statement; J. The final itemization of amount financed disclosure statement and/or the final HUD-1 or HUD-1A Settlement Disclosure Statement; K. The Notice of Right to Rescind or Cancel; L. The Mortgage Broker's fee check(s); and M. Any co-brokered Mortgage Broker fee checks.
4. Timely provide the disclosures (ex. Mortgage Broker Fee Agreement, Attorney/Insurance Preference Form, Estimated Truth-in-Lending Disclosure, Good Faith Estimate, Transmittal Letter (if mailing disclosures)) to the borrower.
5. **Processing Fee**: If a broker charges this fee, you need to read the July 6, 1995, **informal opinion** by Danny Collins, Deputy for Regulatory Enforcement. The dollar amount of the fee also needs to be stated on the broker fee agreement with language which indicates it is "payable only at closing."
6. **Premiums**: The Good Faith Estimate needs to indicate the dollar amount of premium the broker may receive P.O.C. as well as the HUD1 Settlement Statement, additionally it must be disclosed on the Broker Fee Agreement.
7. One of the biggest problems continues to be brokers not staffing their offices as required by law. (See staffing requirements above under Supplemental Form B1.)